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PRESS RELEASE

Board of Directors approves Interim Financial Report as of September 30 2009

CIR GROUP: NET INCOME FOR NINE MONTHS RISES TO 138 MILLION (+17.8%)

The rise in net income was due principally to the recovery of the financial markets.
Financial structure strengthened at holding level: aggregate net financial surplus up to 111.1 million euro

Revenues and margins lower due to repercussions of current economic scenario on main subsidiaries, except for healthcare businesses. Recovery of profitability continues in media and automotive component sectors thanks to management action undertaken

Consolidated results at September 30 2009

Revenues: € 3,152 million (-10.8% from € 3,532.9 million in 9M 2008)
EBITDA: € 205.8 million (-42.4% from € 357.1 million in 9M 2008)
Net income: € 138 million (+17.8% from € 117.1 million in 9M 2008)
Aggregate net financial surplus: € 111.1 million (€ 93.8 million at June 30 2009)
Consolidated net debt: € 1,728.1 million (€ 1,678.1 million at June 30 2009)

Milan, October 26 2009 – The **Board of Directors** of **CIR-Compagnie Industriali Riunite SpA**, which met today under the chairmanship of **Stefano Micossi**, examined and approved the **Interim Financial Report** for the group as of **September 30 2009**.

Performance of operations

The CIR group closed the first nine months of 2009 with **consolidated net income** of **138 million** euro, **up by 17.8%** on the figure for 2008 (117.1 million euro) in spite of the deep economic recession which is still continuing. The rise was due principally to the **significant improvement in financial activities** (a positive 55.5 million euro versus a negative figure of 10.8 million in 2008) which benefited from the recovery of the markets.

The net result of the group also includes the **positive contribution of the operating companies** (5.8 million euro) and non-recurring gains of 76.7 million euro from the subscription by the shareholder Verbund of a capital increase in Sorgenia (in the first nine months of 2008 the non-recurring gains of the group came to 65.2 million euro). Consolidated revenues and margins, however, were down. This trend reflects the repercussions of the negative economic scenario on the main operating subsidiaries, with the significant exception of the healthcare businesses which continue their double-digit growth.

During the period the group continued to strengthen the management action undertaken in the last few months of 2008 to counter the impact of the global crisis. In particular, in the media and automotive component sector, which have been the hardest hit by the crisis, significant measures have been taken to improve efficiency and cut costs, and this action led to a gradual, albeit partial, recovery of profitability over the nine months. The aim of this strategy, which also involves maintaining investment in new initiatives, is to enable all the companies of the group to face the coming economic cycles with a more solid, efficient and competitive structure.

At September 30 2009 the **financial structure of CIR was even stronger:** the **aggregate net financial surplus** at holding level rose to **111.1 million** euro (44.2 million euro at December 31 2008).

Consolidated results

The **consolidated revenues** of the CIR group came to **3,152 million** euro in the first nine months of 2009, down from 3,532.9 million euro in the same period of 2008 (**-10.8%**). The change, despite the significant rise in the revenues of HSS, was due to the decline in the revenues of the other main subsidiaries.

The **consolidated gross operating margin** (**EBITDA**) was **205.8 million** euro (6.5% of revenues), down from 357.1 million euro in the first nine months of 2008 (**-42.4%**). The **consolidated operating result** (**EBIT**) was **104.8 million** euro, **down** from 254.2 million euro in 2008. The change compared to last year was due to the contraction in the operating results of the main subsidiaries.

The **consolidated net income** of the CIR group in the first nine months of 2009 was **138 million** euro, up from 117.1 million in the same period of the previous year (**+17.8%**). The rise in earnings was principally due to the significant improvement in the result of financial activity (55.5 million euro versus a negative balance of 10.8 million in the first nine months of 2008) and to the posting of non-recurring gains of 76.7 million euro (65.2 million in the first nine months of 2008). The contribution of financial activities was positively affected by the recovery of the markets, which led to a rise of approximately 40 million euro in the value of the securities portfolio, and to the further disinvestment made from Medinvest, which led to the recognition of capital gains of approximately 44 million euro. The net result of the group also included the positive contribution of the operating companies of 5.8 million euro.

Consolidated net invested capital stood at **3,994.7 million** euro at September 30 2009, compared to 3,764.3 million at the end of 2008, posting a **rise of 230.4 million** euro due essentially to the investments made by Sorgenia in production capacity.

The **net financial debt** of the CIR group at September 30 stood at **1,728.1 million** euro, up from 1,678.1 million euro at June 30 2009 and 1,685.4 million euro at December 31 2008. The consolidated net debt figure was made up of the following:

- An **aggregate net financial surplus at holding level** of **111.1 million** euro (93.8 million euro at June 30 2009). The change from 44.2 million euro at December 31 2008 was due mainly to tax credits from prior periods received from Inland Revenue (29.9 million euro), the receipt of dividends of 9.3 million euro and the positive fair value adjustment of the securities portfolio of approximately 40 million euro;
- **Total net debt of the operating companies** of **1,839.2 million** euro (1,771.9 million euro at June 30 2009). The rise from 1,729.6 million euro at December 31 2008 was mainly due to the investments made by Sorgenia in new production capacity.

The net financial position includes the pertinent part of CIR's investment in Medinvest, which amounted to 81.3 million euro at September 30 2009. In the first nine months of the year the partial disinvestment from Medinvest generated realized net gains of 44 million euro (62.6 million euro in the first nine months of 2008). This disinvestment strategy has the aim of rebalancing the portfolio with a view to optimizing the financial structure of the group. The performance of Medinvest since its inception (April 1994) until December 31 2008 gave a weighted annual return on the portfolio of 7.7%. In the first nine months of 2009 performance was positive (+8.9%).

Total consolidated equity at September 30 2009 stood at **2,266.6 million** euro, up from 2,078.9 million euro at December 31 2008. The **group's equity** amounted to **1,367.6 million** euro, up from 1,264.9 million euro at December 31 2008.

At September 30 2009 the CIR group had **12,777 employees** (12,969 at December 31 2008).

__Industrial businesses__

Energy: Sorgenia

In the first nine months of 2009, in an **extremely difficult market environment** because of the economic recession and the consequent decline in demand for energy, Sorgenia reported **revenues substantially unchanged** from last year. The company benefited in particular from the **good result of the electricity business**, due to the **rise in the number of clients** (which now stand at **560 thousand**) and in **sales volumes** (**+10%**), while gas sales were significantly down, in line with the market. The repercussions of the negative trend of the economy particularly affected margins, especially in the third quarter.

As far as the **business plan** is concerned, the **San Gregorio Magno wind park (SA), Sorgenia's largest in terms of output (39 MW),** has now started operating. The new plant in Campania **has strengthened the presence of the company in the Italian wind sector**, where it has an **installed capacity** of approximately **70 MW**. The **combined cycle CCGT plant at Modugno (BA),** currently at the testing stage, will also be starting operations soon.

Sorgenia closed the first nine months with **sales revenues** of **1,733.7 million** euro, down slightly (**-2.4%**) from the same period of 2008 (1,777.3 million euro). The **revenues from the electricity business,** however, were **up by 5.5%**. The **gross operating margin** (**EBITDA**) came to **96.4 million** euro, **18.8% down** from 118.7 million euro in the same period of 2008. Despite the fact that the electricity business held up well especially with the contribution of generation from renewable sources, the result was negatively affected by three factors: the contraction of natural gas sales margins on account of lower volumes sold and lower prices; the higher provisions set aside for client receivables, given the difficult economic situation that has developed during the year; the negative effect of the fair value adjustment of contracts entered into during the previous year. During the third quarter the contraction of margins was determined above all by the decline in the gas business and the lower contribution of the investee Tirreno Power. **Consolidated net income** came in at **21.1 million** euro, down from 39.8 million in the same period of 2008. The change in this figure was affected not only by the reasons given above but also by the higher tax burden due to the rise in the Ires surtax rate (Robin Hood Tax) from 5.5% to 6.5%.

Media: Espresso

The results of the **Espresso group** in the first nine months of 2009 should be seen in the light of the **context of profound crisis** which has been affecting the economy and the media sector in particular. The continuing recession has in fact caused a significant contraction in advertising investment (-16.4% in the first eight months of 2009) which has affected practically all of the media, albeit with different degrees of intensity. Publishing, which has gone down by 23.9%, is one of the sectors hardest hit. Even radio has declined significantly (-15.8%), while performance remains positive for the internet sector where advertising rose by 6.2%. At the same time, in a context of declining consumption, there was also a slowdown in the circulation of daily newspapers and periodicals.

The **revenues** of the group in the first nine months of 2009 totalled **640.9 million** euro and were **down by 15.9%** on the same period of the previous year (762.3 million euro). Circulation revenues, with the exclusion of optional extras, came to 206.9 million euro, holding up well (-0.8%) in an extremely critical market environment. Circulation revenues of *la Repubblica* showed a slightly positive trend, thanks to the significant rise in sales on the news-stands during the year. By contrast, total circulation figures were down as a result of the elimination or reduction of distribution initiatives with a high advertising content, the contribution of which to revenues was only marginal. The circulation revenues of the local newspapers, and also circulation in terms of number of copies, were in line with 2008, while the periodicals declined by 8.1% in line with market trends. The decline for *L'espresso* was more limited thanks, in this case too, to the good trend of sales on the news-stands in the last quarter. Advertising revenues, which totalled 344.7 million euro, went down by 22.3%. **EBITDA** came in at **60.7 million** euro, **down** by **51.8%** on the first nine months of 2008 (125.9 million euro). The **impact on margins** of the drastic reduction in advertising collected has already been **partly offset by the significant structural reduction in operating costs** (**-12.1%**), made possible by the **reorganization program in progress** which, when fully implemented, will give **a cost reduction of 17%** (**140 million** euro) compared to 2008. This program involves **extraordinary expense** which has already had an effect on the income statement for the first nine months of 23.8 million euro. The consolidated **net result** was a **positive 1.2 million** euro (43.3 million euro in the first nine months of 2008).

Automotive components: Sogefi

In the first nine months of 2009 the results of the Sogefi group were affected by the **contraction in car production worldwide.** During the period the company **continued to implement its strategy to counter the negative effects of the crisis in the sector,** in four different ways: the reduction of structural cost factors, the further rationalization of production facilities, the improvement of the financial position, and the extension of development initiatives in emerging markets (Brazil, China, India). The positive effects of management action taken together with the first signs of rising demand enabled Sogefi to close the third quarter with a significant improvement in its main economic indicators, compared to the two previous quarters.

Consolidated revenues came in at **573.8 million euro** at 30 September 2009, **down by 29.4%** from the figure of 813.3 million for the same period of 2008 (-27.4% at the same exchange rates). The operating result for the first nine months of 2009 was a **positive 22.4 million** euro (3.9% of revenues) versus an operating result at September 30 2008 of 79.4 million euro (9.8% of revenues). The **gross operating margin** (EBITDA) for the period, after non-recurring restructuring charges of 12.6 million euro (+42.5% from 8.8 million in the first nine months of 2008), was a **positive** figure of **32.2 million** euro (5.6% of revenues), down from 91.2 million euro (11.2% of revenues) at September 30 2008. The **consolidated net result** for the nine months was a **negative 8.6 million** euro. In the first nine months of 2008 net income came to 29.6 million euro.

Healthcare: HSS - Holding Sanità e Servizi

The **HSS** group closed the first nine months of 2009 with **double-digit growth in revenues and gross operating margin** compared to the same period of 2008, despite the difficult general economic environment. During the period the group continued in its strategy aimed at **strengthening its operating subsidiaries** and **seeking new development opportunities** to consolidate its presence in the Italian private healthcare sector. Following the recent acquisition of two residences, in Ancona and in the province of Cuneo, HSS now has **more than 5,000 beds in operation** and has further strengthened its position in the business of managing residences for the elderly.

In the first nine months of 2009 the HSS group reported **consolidated revenues** of **203.5 million** euro, **up by 13.1%** on the same period of 2008 (179.9 million euro), thanks to the development of all areas of the business. The **gross operating margin** (EBITDA) came in at **24.6 million** euro, with a **rise of 16%** on the first nine months of 2008 (21.2 million euro). The group's share of the **consolidated net result** was a **positive 0.2 million** euro, down from 1.1 million euro in the same period of 2008. This reduction was due to non-recurring costs of 1.9 million euro incurred in the third quarter. These costs were due partly to provisions made for risks and write-downs but also to a reorganization of the company which will in the near future make it possible to further improve its efficiency.

Financial services: Jupiter and KTP Finance

In the financial services sector the CIR group is present with the company **Jupiter Finance** and other minor businesses. Jupiter Finance operates in the segment of non-performing loans. The company is managing non-performing loans for approximately 2.3 billion euro. 1.3 billion of this portfolio comes from acquisitions managed and promoted by Jupiter Finance, while the remaining figure of one billion relates to a management contract on behalf of a prime financial investor which was finalized in July. CIR is also a shareholder of **Ktesios** and **Pepper**, companies of the **KTP Finance** group (formerly Oakwood) active respectively in loans secured on one fifth of employees' salaries and in servicing on behalf of mortgage originators. In the first nine months of 2009 Ktesios made loans for 450 million euro. CIR's remaining investment in the KTP group stood at 20 million euro at September 30 2009.

Outlook for the year

In the fourth quarter of 2009 too, the companies of the CIR group will continue to pursue the efficiency actions put in place at the first signs of the current economic recession. These actions will involve all sectors, especially the media and automotive components businesses. The measures taken should produce their positive effects in the coming quarters and further strengthen the competitive positioning of all the main subsidiaries of the group.

Significant events since September 30 2009

On October 3 the ruling of the Milan Law Court was recorded in the civil action filed by CIR against Fininvest for damages caused by the corruption of a judge in the Mondadori affair ("*Lodo Mondadori*"). The judgement, which is enforceable, rules that:

- CIR has the right to receive compensation from Fininvest for the patrimonial damage from the "missed opportunity" of an impartial verdict, which can be quantified in the sum of euro 749,955,611.93;

- CIR also has the right to receive compensation from Fininvest for the damage of a non-patrimonial nature suffered in the same affair. The settlement of these damages will be made in a separate ruling.

CIR is also entitled to interest at the legal interest rate on the amount of the compensation from October 3 until the actual payment date, and to recover its legal costs.

The counterparty appealed against this sentence, and has petitioned for suspension of the same.

Bonds maturing in the 24 months following September 30 2009

The company, which has a BB rating with a stable outlook issued by Standard&Poor's, has the following bond, issued by the subsidiary CIR International SA and guaranteed by CIR SpA, maturing in the 24 months following September 30 2009:

- January 10 2011, maturity of the bond with a residual principal of 148 million euro (originally 300 million euro). The bond (ISIN code XS0169896817), listed on the Luxembourg stock exchange, pays an annual coupon of 6.375%.

The executive responsible for the preparation of the company's financial statements, Alberto Piaser, hereby declares, in compliance with the terms of paragraph 2 Article 154 bis of the Finance Consolidation Act (TUF), that the figures contained in this press release correspond to the results documented in the company's accounts and general ledger.

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Alternative performance indicators

Below the meaning and content are given of the "alternative performance indicators", not envisaged by IFRS accounting standards but used in this press release to provide a better evaluation of the economic and financial performance of the CIR group.

- **EBITDA (gross operating margin)**: an indicator of operating performance calculated by adding "amortization, depreciation and write-downs" to the EBIT figure (earnings before interest and taxes);
- **Consolidated net financial debt:** an indicator of the financial structure of the group; it is determined as the balance of borrowings net of cash and cash equivalents and current financial assets (financial receivables, securities and available-for-sale financial assets).
- **Aggregate net financial surplus**: an indicator of the financial structure of CIR and its financial subsidiaries; it is determined as the balance of borrowings net of cash and cash equivalents and current financial assets (financial receivables, securities and available-for-sale financial assets).

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Attached are highlights from the consolidated financial position and income statement

CIR GROUP – CONSOLIDATED BALANCE SHEET

(in thousands of euro)

ASSETS	*30.09.2009*	*30.06.2009*	*31.12.2008*
NON-CURRENT ASSETS	**4,145,518**	**4,006,327**	**3,804,558**
INTANGIBLE ASSETS	1,305,528	1,303,680	1,264,499
TANGIBLE ASSETS	2,079,031	1,951,445	1,789,985
INVESTMENT PROPERTY	18,258	18,401	18,687
INVESTMENTS IN COMPANIES CONSOLIDATED AT EQUITY	266,109	260,491	282,824
OTHER EQUITY INVESTMENTS	18,425	10,171	9,682
OTHER RECEIVABLES	230,996	230,618	236,147
SECURITIES	83,193	88,360	84,633
DEFERRED TAXES	143,978	143,161	118,101
CURRENT ASSETS	**2,432,269**	**2,406,260**	**3,168,534**
INVENTORIES	160,490	150,971	195,311
CONTRACTED WORK IN PROGRESS	4,641	4,435	2,915
TRADE RECEIVABLES	1,076,760	1,136,519	1,233,689
OTHER RECEIVABLES	186,426	195,393	363,753
FINANCIAL RECEIVABLES	18,913	35,164	25,721
SECURITIES	268,625	195,394	513,362
AVAILABLE-FOR-SALE FINANCIAL ASSETS	80,804	111,114	217,420
CASH AND CASH EQUIVALENTS	635,610	577,270	616,363
ASSETS HELD FOR DISPOSAL	684	730	653
TOTAL ASSETS	**6,578,471**	**6,413,317**	**6,973,745**

LIABILITIES AND SHAREHOLDERS' EQUITY	*30.09.2009*	*30.06.2009*	*31.12.2008*
SHAREHOLDERS' EQUITY	**2,266,556**	**2,265,238**	**2,078,888**
ISSUED CAPITAL	395,588	395,588	395,588
less OWN SHARES	(21,537)	(21,537)	(21,487)
SHARE CAPITAL	374,051	374,051	374,101
RESERVES	272,739	278,033	307,856
RETAINED EARNINGS (LOSSES)	582,818	582,818	487,448
NET INCOME FOR THE PERIOD	137,989	120,794	95,444
SHAREHOLDERS' EQUITY OF THE GROUP	**1,367,597**	**1,355,696**	**1,264,849**
MINORITY SHAREHOLDERS' EQUITY	898,959	909,542	814,039
NON-CURRENT LIABILITIES	**2,801,619**	**2,620,790**	**2,931,482**
BONDS AND NOTES	744,655	739,180	895,458
OTHER BORROWINGS	1,674,393	1,497,187	1,653,615
OTHER PAYABLES	5,211	3,295	3,333
DEFERRED TAXES	175,693	180,329	174,903
PERSONNEL PROVISIONS	138,142	139,214	147,482
PROVISIONS FOR RISKS AND LOSSES	63,525	61,585	56,691
CURRENT LIABILITIES	**1,510,296**	**1,527,289**	**1,963,375**
BANK OVERDRAFTS	122,281	132,217	164,801
BONDS AND NOTES	--	733	347,445
OTHER BORROWINGS	190,782	227,736	146,987
TRADE PAYABLES	824,999	802,135	946,989
OTHER PAYABLES	271,367	270,486	277,153
PROVISIONS FOR RISKS AND LOSSES	100,867	93,982	80,000
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**6,578,471**	**6,413,317**	**6,973,745**

CIR GROUP – CONSOLIDATED INCOME STATEMENT

(in thousands of euro)

	1/1-30/9 2009	*1/1-30/9 2008*	*III Quarter 2009*	*III Quarter 2008*
SALES REVENUES	3,151,992	3,532,900	949,160	1,174,235
CHANGE IN INVENTORIES	(6,145)	10,363	1,667	2,951
COSTS FOR THE PURCHASE OF GOODS	(1,896,735)	(2,114,174)	(556,886)	(745,667)
COSTS FOR SERVICES	(540,463)	(580,571)	(171,213)	(184,175)
PERSONNEL COSTS	(490,438)	(514,146)	(154,941)	(164,430)
OTHER OPERATING INCOME	50,030	66,921	9,544	24,352
OTHER OPERATING EXPENSE	(98,615)	(79,104)	(26,216)	(27,350)
ADJUSTMENTS TO THE VALUE OF INVESTMENTS CONSOLIDATED AT EQUITY	36,129	34,943	6,438	27,757
AMORTIZATION, DEPRECIATION & WRITE-DOWNS	(100,978)	(102,883)	(34,132)	(36,838)
EARNINGS BEFORE INTEREST AND TAXES (E B I T)	**104,777**	**254,249**	**23,421**	**70,835**
FINANCIAL INCOME	41,635	51,936	12,511	18,089
FINANCIAL EXPENSE	(123,725)	(139,395)	(37,692)	(48,299)
DIVIDENDS	519	310	54	18
GAINS FROM TRADING SECURITIES	160,048	200,944	18,150	68,367
LOSSES FROM TRADING SECURITIES	(34,746)	(10,943)	(15,902)	(505)
ADJUSTMENTS TO VALUE OF FINANCIAL ASSETS	35,901	(100,255)	24,318	(95,187)
EARNINGS BEFORE TAXES	**184,409**	**256,846**	**24,860**	**13,318**
INCOME TAXES	(29,926)	(66,419)	(6,882)	(8,589)
RESULT AFTER TAXES FROM OPERATING ACTIVITY	**154,483**	**190,427**	**17,978**	**4,729**
INCOME/(LOSS) FROM ASSETS HELD FOR DISPOSAL	--	--	--	--
NET INCOME FOR THE PERIOD INCLUDING MINORITY INTERESTS	**154,483**	**190,427**	**17,978**	**4,729**
- NET INCOME OF MINORITY SHAREHOLDERS	(16,494)	(73,334)	(783)	(31,911)
- NET INCOME OF THE GROUP	**137,989**	**117,093**	**17,195**	**(27,182)**

CIR – NET FINANCIAL POSITION

(in thousands of euro)

		30.09.2009	30.06.2009	31.12.2008
A.	Cash and bank deposits	635,610	577,250	616,363
B.	Other cash equivalents	80,804	111,114	217,420
C.	Securities held for trading	268,625	195,394	513,362
D.	**Cash and cash equivalents (A) + (B) + (C)**	985,039	883,758	1,347,145
E.	**Current financial receivables**	18,913	35,164	175,721
F.	Current bank borrowings	(243,798)	(296,155)	(223,754)
G.	Bonds and notes issued	--	(733)	(347,445)
H.	Current part of non-current debt	(69,263)	(63,796)	(87,963)
I.	Other current borrowings	(2)	(2)	(71)
J.	**Current financial debt (F) + (G) + (H) + (I)**	(313,063)	(360,686)	(659,233)
K.	**Net current financial position (J) + (E) + (D)**	690,889	558,236	863,633
L.	Non-current bank borrowings	(1,514,579)	(1,325,950)	(1,498,298)
M.	Bonds and notes issued	(744,655)	(739,180)	(895,458)
N.	Other non-current payables	(159,814)	(171,237)	(155,317)
O.	**Non-current financial debt (L) + (M) + (N)**	(2,419,048)	(2,236,367)	(2,549,073)
P	**Net financial position (K) + (O)**	(1,728,159)	(1,678,131)	(1,685,440)